

# Product Alert

September 22, 2016

## Money market reform: October effective dates for variable NAV and fees/gates

<b>October 4, 2016</b>	<b>NSCC:</b> Wells Fargo prime and municipal money market funds will no longer support National Securities Clearing Corporation (NSCC) trading.
<b>October 5, 2016</b>	<b>Variable NAV:</b> Wells Fargo prime and municipal money market funds that allow institutional investors will convert from a stable net asset value (NAV) to a variable NAV.
<b>October 14, 2016</b>	<b>Fees and gates:</b> Retail and variable NAV prime and municipal money market funds will have the ability to impose liquidity fees and/or redemption gates in a liquidity crisis if the board determines that doing so is in the best interest of the fund's shareholders.

### Variable NAV prime and municipal money market funds

The following prime and municipal money market funds allow institutional investors; therefore, they will begin transacting at their variable market-based NAVs, rounded to four decimal places, on October 5, 2016:

- Wells Fargo Cash Investment Money Market Fund
- Wells Fargo Heritage Money Market Fund
- Wells Fargo Municipal Cash Management Money Market Fund

Effective October 5, we will calculate the NAV for these funds at the following times each business day in order to continue providing same-day settlement and intraday liquidity to our investors:

Fund	Same-day settle (ET)	Next-day settle (ET)
Cash Investment Money Market Fund	9 a.m., 12 p.m., and 3 p.m.	5 p.m.*
Heritage Money Market Fund	9 a.m., 12 p.m., and 3 p.m.	5 p.m.*
Municipal Cash Management Money Market Fund	9 a.m. and 12 p.m.	5 p.m.*

\*Next-day settlement only; daily dividends calculated using 5 p.m. NAV.

### Additional operational details and timelines for variable NAV money market funds

Effective October 4, 2016:

- Variable NAV prime and municipal money market funds will no longer support NSCC trading:
  - Defined Contribution Clearance & Settlement (DCC&S) trades received on October 4, 2016, as of October 3, 2016, will be accepted as normal.
  - Trades submitted on October 4, 2016 (after the DCC&S trading cycles), will be rejected.
- In lieu of NSCC trading, trades may be placed via fax to 816-218-0482. Purchase trades must be paid for before the Fedwire Funds Service closes (typically at 6 p.m. ET).

Effective October 5, 2016:

- Variable NAV money market funds will no longer support same-day Automated Clearing House (ACH) trading, checkwriting, or exchanges. However, next-day ACH transactions and same-day wire transactions will continue to be available for these funds.

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- For the Heritage Money Market Fund and the Cash Investment Money Market Fund, the cutoff time for same-day settlement is moving from 5 p.m. ET to 3 p.m. ET. Because the funds will now close at 3 p.m. ET every day, the NAV calculation and fund close times will not change on days the market closes early.
  - Trade purchases for these variable NAV funds must be made in dollars. Redemptions can be processed in shares or dollars. If a redemption request will close an account, it must be placed in shares (for all shares) due to the possibility of NAV fluctuation.
  - The funds will no longer process purchase and redemption requests as of the time the request is received by an authorized intermediary. Instead, purchase and redemption requests will be processed at the next NAV calculated after the fund's transfer agent receives the request in good order.
  - Our fund custodian, State Street Bank, will send a pricing file to intermediaries after each NAV calculation. If you would like to be added to this distribution list, please contact the Institutional Client Service team.

### **Government money market funds**

Government money market funds are permitted to maintain a stable \$1.00 NAV. The Wells Fargo government money market funds are not subject to either the liquidity fees or redemption gates described under the new SEC rule. These funds will continue to offer same-day settlement, and there will be no change to our existing wire release schedule.

We continue to offer the following government money market funds to retail and institutional clients:

- Wells Fargo Government Money Market Fund
- Wells Fargo 100% Treasury Money Market Fund
- Wells Fargo Treasury Plus Money Market Fund

### **Liquidity fees and redemption gates**

Retail and institutional prime and municipal money market funds will have the ability to impose liquidity fees and/or redemption gates beginning on October 14, 2016. Fund boards will have discretion to impose either a liquidity fee of up to 2% on shareholder redemptions or a temporary suspension of redemptions (gate) for up to 10 business days if a fund's weekly liquid assets fall below 30% of its total assets and the board determines that the fee or gate is in the best interest of the fund's shareholders.

### **Retail prime and municipal money market funds**

The Wells Fargo Funds listed immediately below are offered as retail money market funds. These funds transact at a stable \$1.00 NAV and are limited to beneficial shareholders who are natural persons.

- Wells Fargo Money Market Fund
- Wells Fargo Municipal Money Market Fund
- Wells Fargo National Tax-Free Money Market Fund

### **For more information**

Get more product details in the [Product Comparison Guide](#). You can also find reform-related insights and resources in our [Money Market Fund Regulatory Resource Center](#) at [wellsfargofunds.com/icm](http://wellsfargofunds.com/icm).

If you have any questions, please contact the Institutional Client Service team at **1-800-260-5969**.

*Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For a current prospectus and, if available, a summary prospectus, containing this and other information, visit [wellsfargofunds.com](http://wellsfargofunds.com). Read it carefully before investing.*

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### **Variable NAV Money Market Funds**

*You could lose money by investing in the fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. Effective October 14, 2016, the fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

### **Retail Money Market Funds**

*You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Effective October 14, 2016, the fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*

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In regard to the Municipal Money Market Fund, the Municipal Cash Management Money Market Fund, and the National Tax-Free Money Market Fund, a portion of the fund's income may be subject to federal, state, and/or local income taxes or the Alternative Minimum Tax (AMT). Any capital gains distributions may be taxable. The U.S. government guarantee applies to certain underlying securities and not to shares of the fund.

Wells Fargo Asset Management (WFAM) is a trade name used by the asset management businesses of Wells Fargo & Company. Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for Wells Fargo Funds. Other affiliates of Wells Fargo & Company provide subadvisory and other services for the funds. The funds are distributed by **Wells Fargo Funds Distributor, LLC**, Member FINRA, an affiliate of Wells Fargo & Company. Neither Wells Fargo Funds Management nor Wells Fargo Funds Distributor has fund customer accounts/assets, and neither provides investment advice/recommendations or acts as an investment advice fiduciary to any investor.  
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